



City of San Antonio

Agenda Memorandum

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Agenda Date: 10/25/2016

In Control: Audit Committee

AUDIT COMMITTEE SUMMARY

October 25, 2016

Audit of Finance Department Delinquent Property Tax Collection Services Contract

Report Issued August 16, 2016

Background

In December 2013, the City contracted with Linebarger Goggan Blair & Sampson, LLP (Contractor) for the collection of Delinquent Property Taxes.

The Contractor provides delinquent property tax, penalty, and interest collection services on behalf of the City. The Contractor is required to maintain a 98.5% collection percentage rate beginning July 2014 and continuing with each Tax Year during the term of the contract. As compensation the contractor shall receive 15% of the amount of all delinquent taxes, penalty, and interest actually collected and paid to the City.

The Contractor agreed to perform additional services such as the establishment of a taxpayer assistance program to assist taxpayers in resolving tax liability problems. In addition, the Contractor issues demand letters for City code compliance violations and reimburse actual costs for City collection efforts. The City's Finance department is responsible for contract monitoring to ensure that the City and Contractor are adhering with contract terms and conditions.

Audit Objective

Determine if parties are in compliance with key terms of the Delinquent Property Tax Collection Services Contract.

Audit Scope and Methodology

The audit scope included contract compliance monitoring efforts related to the Delinquent Property Tax Collection Services Contract for Fiscal Year 2014 & 15.

We reviewed 6 months of collection reports to determine if tax collection amounts received by the County agreed with the amount remitted, collected and received by the City. We reviewed attorney fees to determine if payment amounts were in accordance to the contract. In addition, we examined code compliance violations to determine if the contractor issued demand letters.

Audit Conclusions

Parties are in compliance with key terms of the Delinquent Property Tax Collection Services Contract. Finance is monitoring the contract adequately and controls are in place to ensure compliance with contractual terms.

We made no recommendations.